FISCAL MEMORANDUM

SB 197 – HB 191

February 26, 2013

SUMMARY OF ORIGINAL BILL: Increases, from 15 days to 20 days after the entry of an order, the time period that a party to a contested case, who deems to be aggrieved by a final order of the Tennessee Regulatory Authority (TRA) and who desires to have such order modified or set aside, has to file a written petition for rehearing.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (003640): Deletes all language after the enacting clause. Conforms the language of Tenn. Code Ann. §8-27-201(g) to the language found in Tenn. Code Ann. §65-1-116 that includes the TRA directors as state employees. Clarifies eligibility requirements for the Director of TRA. Establishes fee structures for TRA that reflect the regulatory environment based on deregulation of the telecommunications industry.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Decrease State Revenue - $1,100,000/Public Utility Account

Other Fiscal Impact – TRA is an entity that is self-funded through fees, fines, and penalty revenue. In order to offset the fee losses they are implementing, internal costs savings measures such as a hiring freeze on six vacant positions, a reduction in the number of state vehicles, a reduction in annual travel costs, a reduction in rent through moving to a smaller facility, and a freeze on equity increases for existing personnel. These measures would be in addition to the $577,000 budget reduction in the FY13-14 proposed budget.

Assumptions for the bill as amended:

* Language in the bill as amended used to conform or clarify sections of code will not result in a fiscal impact to the state.
* TRA is a self-funding entity.

- The decreased revenue will impact the operations of TRA to the extent that the proposed internal cost saving measures do not offset such fee revenue decrease.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

Lucian D. Geise, Executive Director

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